Québec Liquor Board

Administrator's

Annual Report

1964-1965

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QUÉBEC LIQUOR BOARD

OFFICE OF THE ADMINISTRATOR

December 1st, 1965

HONOURABLE CLAUDE WAGNER, Q.C.
Attorney General
Parliament Buildings
Québec, P.Q.

Dear Sir,

Please find herein the financial report of the Québec Liquor Board for the year ending March 27th, 1965.

Yours truly,

Lorne G. Power
Administrator.

LGP/RB
encl.

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS

630 DORCHESTER ELVD. W.
MONTREAL 2

THE HONOURABLE JEAN LESAGE, Q.C.,
Premier and Minister of Finance,
Province of Quebec,
Government Buildings,
Quebec, P.Q.

We have examined the balance sheet of the Quebec Liquor Board as at 27th March 1965 and the statement of revenue and expenditure for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the Board, the accompanying balance sheet and the statement of revenue and expenditure are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Board as at 27th March 1965 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Riddell, Stead, Graham & Hutchison
Auditors

3rd August 1965

QUÉBEC LIQUOR BOARD

BALANCE SHEET

AS AT 27th MARCH 1965

ASSETS

	1965	1964
CURRENT		
Cash	$ 3,816,136	$ 4,348,884
Accounts receivable	1,632,726	1,345,397
Inventories —		
Alcoholic beverages — at the lower of cost or replacement value, less reserve	22,374,899	15,099,469
Supplies and materials — at cost	340,332	298,239
	28,164,093	21,091,989
FIXED		
Land and buildings — at cost	8,364,101	
Machinery, equipment, furniture and fixtures — at cost	2,910,468	2,757,979
	11,274,569	2,757,979
Less: Accumulated depreciation	3,143,847	1,908,843
	8,130,722	849,136
OTHER ASSETS		
Deferred charges	144,863	144,813
Deposit on land	1,004,800	
	1,149,663	144,813
	$37,444,478	$22,085,938

LIABILITIES

	1965	1964
CURRENT		
Accounts payable and accrued charges	$ 6,910,149	$ 2,961,818
DEFERRED INCOME	1,542,947	1,485,237
RESERVE FOR INSURANCE	1,118,329	1,129,307
DUE TO MINISTRY OF FINANCE		
Balance at beginning of year	16,509,576	22,048,489
Acquisition of land and buildings	7,169,533	
Net revenue — per accompanying statement	60,193,944	65,288,283
	83,873,053	87,336,772
Less:		
Transfers to Ministry of Finance	56,000,000	70,600,000
Payments on behalf of Provincial Government		227,196
Balance at end of year	56,000,000	70,827,196
	27,873,053	16,509,576
	$37,444,478	$22,085,938

Lorne G. POWER, *Administrator*

J. P. LATULIPPE, *Chief Accountant*

QUÉBEC LIQUOR BOARD

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED 27th MARCH 1965

	1965	1964
SALES	$114,584,655	$130,603,441
Less: Cost of sales	60,245,727	71,414,338
	54,338,928	59,189,103
OPERATING EXPENSES		
Store expenses	7,497,581	7,849,653
Warehouse expenses	2,703,451	2,810,444
General and administrative expenses	3,877,235	2,436,333
Depreciation	370,506	176,578
	14,448,773	13,273,008
Revenue from Sales	39,890,155	45,916,095
OTHER REVENUE		
Brewers' and retailers' duties	17,439,225	16,469,426
Permits	1,963,611	2,039,120
Permit holders' duties	1,170,175	1,156,777
Miscellaneous	144,393	99,546
	20,717,404	19,764,869
Less: Expenses	413,615	392,681
	20,303,789	19,372,188
Net Revenue	**$60,193,944**	**$65,288,283**

Note: From and including the year under review the fiscal year end of the Board has been changed to the last Saturday in March.

Retail Stores

SALES — STAFF

1963-1964 1964-65

ACTIVITIES

STORES		SALES			
		VALUE		NUMBER	
YEARS	Number	Annual total	Daily average	Annual total	Daily average
1963-64	200	$130,106,025.93	$514,253.06	30,698,159	121,337
1964-65	204	$114,584,654.90	$572,923.27	27,703,083	138,515

STAFF

YEARS	Number of employees	NUMBER OF SALES PER EMPLOYEE		BREAKAGES		
		Annual total	Daily average	Annual total	Average per employee	Per 10,000 bottles
1963-64	1543	19,895	79	10,146	6.6	3.31
1964-65	1570	17,715	89	8,446	5.4	3.05

There have been 200 business days during the year.

Distribution of the Receipts of the Board

Years	Sales	Purchases of Stock, other operating charges and general expenses		Paid out to the Federal Government for Customs, Excise and Sales Tax		Net operating profits		Revenue from seizures, permits and duties	Total revenue	Turned over to the Provincial Government and expenditure on Capital Account
	Gross Receipts	Actual figures	p.c.	Actual figures	p.c.	Actual figures	p.c.	Net	Net	Actual figures
1921–22	$ 15,212,801	$ 7,186,355	47.3	$ 5,166,436	33.9	$ 2,860,010	18.8	$ 1,175,909	$ 4,035,919	$ 3,892,398
1922–23	19,698,773	9,804,515	49.7	6,566,000	33.3	3,328,258	17.0	1,236,498	4,564,756	4,369,875
1923–24	19,812,781	7,983,777	40.3	7,411,907	37.4	4,417,097	22.3	1,337,273	5,754,370	4,200,596
1924–25	17,887,588	7,104,378	39.7	6,648,545	37.2	4,134,665	23.1	1,327,516	5,462,181	5,000,967
1925–26	19,018,299	7,320,879	38.5	7,276,085	38.2	4,421,335	23.3	1,375,155	5,796,490	5,747,332
1926–27	22,425,136	8,897,213	39.6	8,234,009	36.7	5,293,914	23.7	1,484,087	6,778,001	6,028,302
1927–28	24,229,624	9,314,299	38.4	8,757,476	36.2	6,157,849	25.4	1,451,840	7,609,689	6,500,000
1928–29	27,007,430	9,629,058	35.6	9,334,619	34.5	8,043,753	29.8	1,644,515	9,688,268	8,000,000
1929–30	27,539,966	9,770,707	35.5	9,299,967	33.8	8,469,292	30.7	1,611,321	10,080,613	10,280,728
1930–31	22,711,639	8,498,052	37.4	7,452,158	32.8	6,761,429	29.8	1,500,758	8,262,187	9,155,993
1931–32	17,979,782	7,132,241	39.7	6,163,863	34.3	4,683,678	26.0	1,372,653	6,056,331	8,518,318
1932–33	12,702,927	4,381,378	34.5	4,094,030	32.2	4,227,519	33.3	1,217,251	5,444,770	5,541,842
1933–34	11,370,603	5,141,220	45.2	3,525,985	31.0	2,703,398	23.8	1,236,138	3,939,536	5,500,000
1934–35	11,688,510	4,466,309	39.1	3,690,431	31.5	3,531,770	29.4	1,677,330	5,209,100	3,500,000
1935–36	12,698,163	5,670,816	44.7	3,923,717	30.9	3,103,630	24.4	1,764,770	4,868,400	4,750,000
1936–37	14,693,171	6,750,709	45.9	4,251,859	28.9	3,690,603	25.1	1,796,415	5,487,018	6,150,000
1937–38	17,027,104	7,429,322	43.6	5,325,031	31.3	4,272,751	25.1	1,949,063	6,221,814	5,000,000
1938–39	17,292,954	7,453,507	43.1	5,259,203	30.4	4,580,244	26.5	1,890,620	6,470,864	6,250,000
1939–40	17,991,145	6,061,774	33.7	6,552,740	36.4	5,376,631	29.9	2,195,490	7,572,121	7,150,000
1940–41	19,583,800	7,316,403	37.3	7,258,469	37.1	5,009,018	25.6	2,261,703	7,270,810	6,300,006

1942–43	34,213,789	10,718,903	31.3	14,477,929	42.3	9,016,956	26.4	3,315,584	12,332,541	10,250,000
1943–44	36,562,856	13,451,253	36.8	12,145,640	33.2	10,965,964	30.0	3,068,600	14,034,563	14,350,000
1944–45	43,610,465	16,064,171	36.8	13,925,760	32.0	13,620,535	31.2	3,500,104	17,120,638	18,250,000
1945–46	50,233,863	16,502,823	32.9	17,510,366	34.8	16,220,674	32.3	6,875,283	23,095,957	22,400,000
1946–47	60,987,765	21,141,281	34.7	17,653,594	28.9	22,192,890	36.4	7,522,162	29,715,052	31,000,000
1947–48	56,163,127	19,736,741	35.1	16,652,037	29.7	19,774,348	35.2	8,298,784	28,073,133	25,485,939
1948–49	53,077,824	19,063,773	35.9	15,788,760	29.8	18,225,291	34.3	9,232,288	27,457,579	27,070,113
1949–50	52,537,751	18,911,022	36.0	15,740,057	30.0	17,886,672	34.0	9,780,975	27,667,647	26,474,884
1950–51	59,270,714	16,593,088	28.0	21,869,042	36.9	20,808,584	35.1	9,698,624	30,507,208	26,252,269
1951–52	60,535,705	23,961,433	39.6	16,906,066	27.9	19,668,206	32.5	10,107,815	29,776,021	31,762,930
1952–53	66,200,415	25,462,656	38.5	18,962,320	28.6	21,775,439	32.9	11,082,487	32,857,926	34,000,000
1953–54	68,265,458	25,029,979	36.5	21,314,990	31.3	21,920,489	32.2	11,173,997	33,094,486	33,750,000
1954–55	70,476,456	25,728,656	36.5	22,066,490	31.3	22,681,310	32.2	10,453,074	33,134,384	33,500,000
1955–56	77,488,103	28,150,934	36.3	24,102,861	31.2	25,234,308	32.5	11,261,142	36,495,450	35,000,000
1956–57	85,426,820	30,968,430	36.2	26,131,397	30.6	28,326,993	33.2	11,423,810	39,750,803	38,500,000
1957–58	91,697,655	33,180,147	36.2	27,999,333	30.5	30,518,175	33.3	11,604,006	42,122,181	39,000,000
1958–59	96,052,656	35,927,411	37.4	28,465,226	29.6	31,660,019	33.0	11,293,306	42,953,325	41,505,030
1959–60	101,936,167	37,919,510	37.3	30,351,174	29.8	33,665,483	32.9	12,134,445	45,799,928	45,037,946
1960–61	103,468,733	38,318,248	37.0	32,465,468	31.4	32,685,017	31.6	12,454,973	45,139,990	44,349,839
1961–62	113,175,313	43,518,520	38.4	32,413,138	28.7	37,243,655	32.9	16,612,424	53,856,079	52,164,025
1962–63	123,330,097	45,842,280	37.2	33,852,107	27.4	43,635,710	35.4	18,504,141	62,139,851	61,234,583
1963–64	130,603,441	50,074,626	38.3	34,536,106	26.4	45,992,709	35.2	19,295,574	65,288,283	70,827,196
1964–65	114,584,655	39,076,958	34.1	35,488,592	30.9	40,019,105	34.9	20,174,839	60,193,944	56,000,000
Totals	**$2,143,117,231**	**$792,272,660**	36.9	**$665,534,925**	31.0	**$685,309,646**	31.9	**$283,344,978**	**$968,654,624**	**$949,601,105**

Department of Customs and Excise

DUTIES PAID TO THE FEDERAL GOVERNMENT

DUTIES	MONTRÉAL 1964–65	QUÉBEC 1964–65	TOTALS FOR THE PROVINCE 1964–65	TOTALS FOR THE PROVINCE 1963-64
Customs – Wines	$ 1,368,506.36	$ 262,091.31	$ 1,630,597.67	$ 1,750,132.44
" – Spirits	6,635,913.26	1,899,299.14	8,535,212.40	8,936,118.75
" – Total	$ 8,004,419.62	$2,161,390.45	$10,165,810.07	$10,686,251.19
" – Reimbursements	10,286.76	2,998.24	13,285.00	15,345.06
" – Total	$ 7,994,132.86	$2,158,392.21	$10,152,525.07	$10,670,906.13
Excise	$17,964,534.46	$7,371,532.38	$25,336,066.84	$23,865,199.99
Grand Total	$25,958,667.32	$9,529,924.59	$35,488,591.91	$34,536,106.12

Comparative Sales of Wines and Spirits

	1924-25	1963-64	1964-65	Decrease of 1964-65 over 1963-64		Increase from 1925 to 1965	
	Sales in gallons	*Sales in gallons*	*Sales in gallons*	*gallons*	*P.C.*	*gallons*	*P.C.*
Wines.....	716,015.1	2,684,159.9	2,254,713.9	429,446.0	16.0	1,538,698.8	214.9
Spirits.....	718,053.8	3,695,525.4	3,061,396.8	634,128.6	17.2	2,343,343.0	326.3

Sundry Services

INDUSTRIAL ALCOHOLS DEPARTMENT

The following table gives for one year, in periods of three months, the quantities of alcohol supplied for industrial purposes to the manufacturers by distillers, under the supervision of Federal Excise Officers.

From April to June 1964	186,928	proof gallons
From July to September 1964	158,588	" "
From October to December 1964	238,959	" "
From January to March 27th 1965	158,053	" "
Total for the year	742,528	" "

Purchases of Wines & Spirits

BY MANUFACTURERS

Statistics concerning wines and spirits imported or bought from the Québec Liquor Board by manufacturers of pharmaceutical preparations, by distillers and by druggists from April 1st, 1964 to March 27th, 1965.

Wines imported from Ontario for medico-pharmaceutical purposes	10,800	gallons
Wines bought from the Québec Liquor Board for the same purposes	144	"
Wines imported for the same purposes	4,372	"
Spirits bought from the Québec Liquor Board for industrial purposes	48	"
Wines imported from Ontario for the same purposes	2,042	"
Spirits imported for the same purposes	1,235	"
Spirits bought from the Québec Liquor Board for alimental purposes	144	"
Wines imported from Ontario for use in distilleries	4,370	"
Wines imported for use in distilleries	4,380	"
Spirits imported for use in distilleries	724,223	"

Hospitals, Universities and Laboratories for Scientific Research, etc.

The following is a concise summary of the purchases made by public institutions, retail druggists and doctors, direct from authorized distillers or from the Board.

ALCOHOL BOUGHT DIRECT FROM DISTILLERS
(under permit)

	Alcohol 65 over-proof	*Absolute alcohol*
Hospitals	28,669	4,363
Universities, Laboratories for Industrial and Scientific Research	9,735	3,076
Druggists	486	—
Total for the year	38,890	7,439

ALCOHOL AND SPIRITS BOUGHT FROM THE BOARD

	Bottles	*Gallons*
Hospitals:		
Absolute alcohol	68	—
Alcohol 65 over-proof	37	—
Brandy	153	386
Universities, Laboratories for Industrial and Scientific Research:		
Absolute alcohol	298	—
Alcohol 65 over-proof	299	—
Brandy	—	—
Druggists:		
Absolute alcohol	2	—
Alcohol 65 over-proof	193	—
Brandy	—	19
Doctors:		
Alcohol 65 over-proof	58	—
Brandy	—	10
Total for the year	1,108	415

Beer

Beer brewed and sold within the province of Québec	72,516,177.56 gallons
Value of Sales	$113,647,772.59
Beer imported from Ontario and Nova Scotia	12,759,848.80 gallons
Value of imports	$20,567,929.54
Beer exported from the province	6,149,575.80 gallons
Value of exports	$ 7,725,829.11
Total quantity of beer brewed, imported and exported	91,425,602.16 gallons
Total value	$141,941,531.24
Revenue from 16 cts per gallon tax, received by the Québec Liquor Board, for sales made in this province	$13,644,164.26